

**Building Better Connected Learning  
Through Improved Student Pathways**

**Pathways Project**

**Report**

**November 2009**

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# 1 BACKGROUND

In April 2009, the Deputy Prime Minister asked the Chair of the AQF Council, Mr John Dawkins AO, to provide advice on how to improve qualifications and recognition arrangements that would lead to more seamless pathways between the vocational education and training (VET) and higher education sectors which would benefit students.

The Pathways Project was established by the AQF Council Secretariat to develop the advice and was undertaken, under the leadership of the AQF Council Chair, by a project team comprising:

- Kim Bannikoff, Project Leader and member of the AQF Council
- Richard Symonds, Principal Researcher seconded from the South Australian Government
- Ann Doolette, Executive Director AQF Council.

A project steering committee chaired by the AQF Council Chair provided guidance to the project team. Steering committee members were:

- John Dawkins, AQF Council Chair
- Craig Roberston, AQF Council member
- Ian Young, AQF Council member
- Kim Bannikoff, AQF Council member and Project Leader
- Ann Doolette, AQF Council Executive Director.

The project was fully funded by the Commonwealth Government through the Commonwealth Department of Education Employment and Workplace Relations.

The advice contained in this Report provides a high level summary of the findings of the project and the conclusions drawn.

The report is supported by a comprehensive Technical Report which elaborates on the findings and conclusions outlined in this Report.

The Technical Report is supported by four separate research reports which collectively provide comprehensive information on existing practices and arguments for future reform. The research papers examine:

- *Data Collection*
- *Funding*
- *Policy and Regulatory Analysis*
- *Programs and Pathways.*

## 2 SUMMARY OF CONCLUSIONS

The Pathways Project has reached the following conclusions:

1. The scope of the tertiary education sector includes AQF qualifications from Certificate I to Doctoral Degree.
2. Strengthening the AQF is a fundamental first step in assuring the quality and standing of Australian qualifications and it is a prerequisite for reforming qualifications and building pathways.
3. Qualifications in the VET sector must be broadened beyond competencies required for exit to work to include discipline knowledge, generic capabilities, skills and knowledge for preparation for the next level of the AQF and specification of available credit. Funding mechanisms also need to fund the delivery of underpinning knowledge and generic skills in qualifications in the VET sector.
4. Training Package qualifications must include: systemic articulation and credit transfer arrangements; the recognition of previous study for inclusion in a qualification; and, a significant level of core units of competency.
5. Future accreditation of Training Package qualifications must become the responsibility of the proposed national regulatory authority.
6. Certificates I and II need to become access qualifications and be developed and promoted as pathway qualifications to provide access for a diverse range of students to further study.
7. The development and promotion of distinct, purpose designed Diploma to Degree pathway qualifications is required to entrench directed pathways for students from VET to higher education.
8. The AQF policy on credit pathways must be recognised as the national policy on credit and pathways and be mandated for institutions as a condition of registration and, if appropriate, through funding agreements.
9. A national register of credit arrangements is required to assist students with making informed decisions.
10. Institutions should have access to comprehensive information on best practice models of credit transfer and articulation.
11. A national policy on ranking applicants for admission to higher education is required to enhance both national consistency and clarity for students when considering options for entry to further study.
12. A national policy on graded assessment for VET Diploma and Advanced Diploma qualifications, developed cooperatively by VET and higher education, is required to further assist ranking of VET graduates for entry to higher education.
13. To obtain accurate data on pathways that allows demand to be more accurately assessed, the monitoring of credit provided, and the analysis of student flows, the current statistical collections in VET and higher education need to be expanded.

14. A national unique student identifier, assigned initially in the school sector, should be introduced.
15. The Commonwealth Government should consider the establishment of a Cooperative Research Centre for Tertiary Education and expanding the remit of the National Centre for Student Equity in Higher Education to cover the tertiary education sector.
16. There is a case for public investment in systemic initiatives to reduce system and transaction costs; fund Pathway Qualifications; and to remove differences and anomalies between VET and higher education funding.
17. A single national regulatory authority for tertiary education is required to bring about effective reform of student pathways and to create an interconnected tertiary sector.
18. Legislated compliance with the AQF is central to ensuring quality and protection of the brand and should be the same for all AQF qualifications and institutions covered by the single tertiary education regulator.
19. A properly empowered high level steering committee that is not aligned to a particular education and training sector needs to be appointed to ensure that the recommended changes are introduced and embedded into system and institutional practice. The steering committee needs to be supported by a small highly qualified taskforce.
20. It is recommended that all of the above conclusions are adopted as a package and implemented as a priority.

## **3 CONTEXT**

### **3.1 Purpose**

The Deputy Prime Minister, in her speech to the Big Skills Conference on 5 March 2009, outlined the purpose for this project – “To build these vitally needed pathways between universities and VET, I announce today that the Government will commission the Australian Qualifications Framework Council to improve the articulation and connectivity between the university and VET sectors to enable competency-based and merit based systems to become more student-focused.”

Building pathways will enable students to make the transition from compulsory schooling to engagement with adult life in the community including through work and further study. Pathways to facilitate these transitions should be transparent to the student, clear where they lead and be flexible enough to accommodate the needs of students as they move through the education and training system and into work. Clear pathways back into the education and training system are also needed for those of whatever age who become disengaged with education or work and do not complete their schooling or further study.

Competency-based training and merit-based education refer to the dominant modes of assessment in VET and higher education respectively. Both modes of assessment work within systems that produce assessments of student achievement that are valid, reliable and fair. If the two systems are to work together in the interests of students, there must be:

- confidence that students know and can do what the qualification they have gained says they can
- confidence between VET and higher education institutions in the quality of each other’s qualifications and the delivery of those qualifications, and
- confidence by funding bodies that Australian qualifications from all institutions have national and international recognition.

### **3.2 Policy environment**

This Report provides advice on improving student pathways to support achievement of Council of Australian Governments (COAG) and Commonwealth targets within the context of the policy intent of the Commonwealth Government to establish ‘an interconnected tertiary education sector’.

This context is evolving rapidly and the outcome is unclear. The Commonwealth Government has signalled the introduction of a single national regulator for tertiary education institutions in 2013 although the format is not yet agreed. A new regulator for higher education – the Tertiary Education Quality and Standards Agency (TEQSA) – has been funded by the Commonwealth Government to begin operations from 2010. Discussions are continuing between the States and Territories and the Commonwealth on the format for a single national VET regulator.

There will continue to be shared policy and funding responsibilities between the States and Territories and the Commonwealth for VET. While the Commonwealth Government is introducing demand driven funding for public universities and the Victorian government is introducing a similar model for VET, there remain differences in funding models for VET

between States and Territories, between higher education and VET and different funding relationships between government and private and public institutions. These different funding models for institutions within the tertiary education sector and their associated accountability arrangements work against greater connectivity between tertiary institutions. As data collections generally service funding and accountability requirements for institutions in each sector, sector segmentation will continue to be reinforced.

The Australian Qualifications Framework Council is currently strengthening the AQF to provide new descriptors of qualifications in line with a new tertiary education landscape that is not sector specific. To this end 'tertiary education' is likely to incorporate all of VET and higher education while maintaining the purpose of qualifications at different levels.

Policy, funding and accountability, and regulation affect the flow of students between institutions, student choice and recognition of student achievement. The way in which these matters are addressed in the immediate future in creating 'an interconnected tertiary sector' could produce vastly different impacts.

### 3.3 Targets

The reform environment created by Commonwealth government decisions arising from the *Review of Australian Higher Education* (the Bradley Review) and the COAG human capital reform agenda has created a positive mood for change. This is reflected in the attitudes and actions of the peak organisations representing tertiary institutions<sup>1</sup> which are actively supporting policy initiatives to implement the government's intents arising from the Bradley Review. A number of State and Territory governments also have their own initiatives in place. There are many projects at university level funded through a variety of sources including the Commonwealth Diversity and Structural Adjustment Fund addressing different aspects of pathway development or particular problems such as industrial relations.

While there is little coordination of this activity, a common driving factor is provided by the targets adopted by the Commonwealth in response to the Bradley Review or agreed by COAG. These targets are to:

- increase the proportion of the population aged 25-34 years with a qualification at Bachelor Degree or above from 32% in 2008 to 40% by 2025
- increase the percentage of students from low socio-economic backgrounds in higher education from around 16% in 2007 to 20% by 2020
- halve the proportion of Australians aged 20 to 64 years without a Certificate III qualification by 2020
- double the number of VET higher qualification completions (Diplomas and Advanced Diplomas) by 2020
- raise the proportion of young people achieving Year 12 or an equivalent qualification from 74% in 2007 to 90% by 2015, and
- halve the gap for Indigenous students in Year 12 or equivalent attainment by 2020.

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<sup>1</sup> Such as Universities Australia, TAFE Directors Australia, Australian Council for Private Education and Training, Council of Private Higher Education, Enterprise Registered Training Organisation Association.

These targets encapsulate three broad policy objectives:

- to improve educational participation for students from low SES backgrounds in higher education
- to sustain growth in educational attainment in Certificate III, higher level VET qualifications and Degrees – qualifications that all emphasise employment outcomes, and
- to increase successful year 12 completion rates particularly for Indigenous Australians.

Establishing effective pathways and a supportive environment in which students can succeed is critical in meeting the targets. This is particularly so for the equity related targets where success will depend on better access, improved school completion and ease of progression through qualification levels. The changes required go well beyond the alignment of the two assessment systems, better communication between VET and higher education and fine tuning articulation and credit transfer processes. The interrelated reforms proposed in this Report extend to the broader context of establishing a tertiary education system. These reforms need to be implemented in a coordinated way so that the return on investment will be worthwhile. Tinkering at the edges or a fragmented approach to implementation will be counterproductive.

## **4 ISSUES**

### **4.1 Stakeholders**

While this Report argues the importance of institutional practice to develop improved pathways for students, it is often not just institutions, but also regulatory authorities and industry and professional associations pursuing their own agendas that either wittingly or unwittingly create blockages to student movement.

Consideration of solutions to effective articulation and credit transfer encounter a series of impasses between stakeholders, some historical and some ideological. The different missions of the VET and higher education sectors impact on the various uses of qualifications in each sector such as qualifications designed to exit to work versus a general education and the outcomes of State accredited qualifications compared with Training Package qualifications in VET. Competency-based versus normative assessment and the perceived differences in the quality of public versus private institutions and national versus dispersed regulation are also considered to be additional blockages to student pathways.

Previous reports have recommended ways through these impasses but implementation has defaulted to those already responsible for the system, often at middle management level, where there is little understanding of anything other than narrow sectional interests. This has stalled reform or led to compromises that complicate matters without making improvements.

### **4.2 Skills development**

The focus in VET has been on developing skills for the workforce. As a result, qualifications are developed almost entirely within Training Packages and are designed around the workplace requirements for specific occupations. These qualifications are narrowly limited to the competencies required by students exiting the education system to work. Although the learning process means students acquire underpinning knowledge (or disciplinary knowledge) and generic capabilities, these are generally not identified or assessed. These are the areas of learning needed for progression to higher levels of study. They are also the knowledge and skills required in modern workplaces and for successful application of workplace skills. Workers find knowledge and generic capabilities particularly important for working in different social and cultural contexts both domestically and internationally. They are critical for mobility within the workforce and adaptability within an occupation.

There is a need to move to a concept of skills development that embraces skills for work, for mobility and for working in different social and cultural contexts. To this end, educators must be re-involved in qualification development, and the public interest in a broadly educated workforce be given equal standing alongside the needs of enterprises for particular competencies associated with their work processes.

### **4.3 Data**

The absence of quality data for effective analysis of student pathways and the role and use of articulation and credit transfer impacts on knowledge of the level of demand and the uptake of credit transfer and articulation. Only the higher education data collection process requires

institutions in receipt of Commonwealth funding to report on the amount of credit given to enrolling students. While individual VET and higher education institutions keep some data on the amount of credit given to students and the success of students who have been admitted with credit for planning and performance purposes, this is not monitored consistently. There is no aggregated data or reliable data collections that track student movement effectively across sectors.

Fundamentally, if governments are unsure of how and when students move between qualifications and sectors, the level of demand from graduates of one type of qualification for entry to another or the success rate of students who make transfers, then it becomes difficult to know what resources governments and institutions should apply to improving student transfers.

#### **4.4 Evidence based policy and reform**

The development of an interconnected tertiary education sector is pivotal to the Australian Government's policy intent of a highly educated population and workforce able to take advantage of the opportunities provided within a global economy.

There is relatively little publicly supported research in Australia into issues associated with the development of an interconnected tertiary education sector. For example, the absence of quality data on student flows is indicative of this. The reform approach and its implementation should be informed by high quality research into:

- models of cross-sectoral curriculum
- teaching and learning models appropriate to adult learners
- the efficacy of different institutional arrangements and skill and knowledge development
- improving pathways for low SES and others with disadvantage, and
- providing evidence for ongoing policy decision-making and reform.

#### **4.5 Assessment**

Competency-based assessment within Training Packages is often cited as a barrier to entry to higher education for VET graduates. Receiving institutions<sup>2</sup> rank applicants in order of merit and, it is argued, competency-based assessment does not discriminate sufficiently between applicants to enable them to compete with those with an Australian Tertiary Admission Rank (ATAR) score or a ranked score derived through other methods (such as a STAT). Research for this project found many examples that dispel this notion. Between individual institutions, both dual sector and those with strong articulation arrangements, ranked student achievement can be generated from competency-based assessment to meet the needs of receiving institutions. At the systemic level, competency-based assessments can be and are accommodated within ranking systems for all students. An example is that applied by the Queensland Tertiary Admissions Centre (QTAC). In addition, many VET institutions in all States and Territories apply a ranked score over the competency-based assessment for higher VET qualifications.

It is clear that graded assessment is not in itself necessary for articulation or credit transfer.

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<sup>2</sup> Receiving institutions are those institutions that accept students for admission and give credit on the basis of a qualification issued to a student by another institution.

The more important issue is that institutions do not always have confidence in the assessments of student achievement by other institutions, particularly those with whom they do not have a direct relationship. Building relationships and developing confidence will improve when regulation of institutions is understood and accepted as a guarantee of quality and qualifications contain accurate and reliable information about what a student knows and can do. When staff of different institutions work together and cooperate in encouraging student pathways, there is adequate understanding about the nature and quality of assessment undertaken elsewhere to make informed decisions about comparative student achievement.

Little is to be achieved by changing the mode of assessment. The task is to improve the standard of assessment and provide assurances through effective regulation and policy about its validity, fairness and reliability.

#### **4.6 Making pathways work**

Pathways work efficiently when students move sequentially through qualification levels with full recognition for the qualifications, skills and knowledge they already have. Articulation of qualifications is the most effective way of doing this. Articulation depends on trust and confidence:

- between institutions in the quality of their qualifications, delivery, assessment and graduate competence
- in a qualifications framework that requires adherence to standards and enables effective planning of articulated pathways, and
- in the regulation of institutions that ensures confidence that qualifications and assessment of student achievement mean what they say.

Individual students also seek recognition of, and credit for, skills and knowledge acquired through non-articulated qualifications and through other means such as workplace acquired competence. Decisions on these are the responsibility of individual institutions. The changeability of student pathways and the varied pathways that students may pursue means that there will always be a need for individual applications for credit.

Making pathways work includes preparing students for the transition they are to make and supporting them through the process. Lowering standards for entry to qualifications or lowering achievement standards for gaining qualifications would be counterproductive. Two clear strategies are needed: at the systemic level to address system wide impediments to recognition of qualifications, and at the institutional level to build connectivity between institutions and support student-centred systems for recognition and admission.

#### **4.7 Which pathways**

Some pathways work well such as: the transition to higher education for successful Year 12 students, pathways to work from Certificate III in VET, and, moving from Degrees in professional areas to work are examples of well understood pathways. Some pathways are not working as well such as: access for the disengaged; student movement from access and preparatory studies to further study or work; and crossing from the VET sector to higher education in a seamless way.

The achievement of national targets dictates the pathways that need to be improved.

To increase the number of students from low SES backgrounds in higher education: their participation and achievement in senior secondary schooling must be increased (not addressed in this project); clear access pathways to VET and to higher education for marginalised and disengaged groups provided; and the nature and quality of qualifications at the lower levels of VET improved so that employment and further study outcomes can improve. To achieve growth, the mobility of skilled VET graduates must improve: upwards to higher levels of study; sideways into related occupational fields; and to higher education from VET qualifications.

Therefore, the pathways that need to work well if the targets are to be met are:

- access to VET and higher education for non-school completers and those who are disengaged from the education and training system; for many, this may include an initial step of learning basic skills and the skills for formal study
- movement between different levels of study in VET and from one discipline area of VET study to another at the same level, and
- movement between VET and higher education.

The basis on which clear pathways can be developed for students will be:

- changes to the architecture of the AQF
- changes to the way in which qualifications are developed, and
- reshaping the delivery and funding of programs targeted to the needs of students faced with these transitions.

#### **4.8 Pathway qualifications**

Certificates I and II have very low rates of completion, transition to work and transition to further study. Yet these are the qualifications that are critical for attracting students who are disengaged from education and training back into the system. They are also the starting point for many students, in school and post-school, to engage with vocational learning. The changes recommended by the *Training products for the 21st century* report prepared by the National Quality Council for COAG contains recommendations that partly address improving the value of Certificates I and II for students.

Qualifications are developed and designed according to different regulatory and accreditation rules in each of the VET and higher education sectors. There are noteworthy examples of institutions currently cooperating on developing qualifications explicitly to link across sectors. However, many institutions expend additional resources mapping units between qualifications to establish pathways and credit transfer for students once qualifications have been separately accredited. The inclusion of numerous electives in VET qualifications and the frequency with which qualifications are updated further complicates the process and means agreements need to be constantly renegotiated.

Further confusion is created by higher education institutions developing specific qualifications to provide access for particular target groups, such as foundation degrees for international students.

There are two types of qualifications that need to be reconfigured as 'pathway qualifications' so that they are clear in purpose and meet the needs of students moving to further study areas. These are:

- qualifications in VET that provide access for disengaged students, and
- qualifications that enable the transition from VET to higher education (including those that provide bridging from starting points other than the Australian VET sector).

#### **4.9 Meeting the public interest**

Students, government and industry are co-funders of the tertiary education sector. The proportions vary across the sector and between institutions. Some institutions access other funds such as investment income, fees and charges for services, research income and philanthropy. Governments should adopt funding policies to enable the right balance to be achieved between the contributors so that an increased number of students is encouraged to enrol to meet national participation and completion targets.

Governments have a responsibility to protect and use the value of their existing investment in public universities and TAFEs. These public institutions provide a standard for quality, support innovation, are a reservoir of human capital and have facilities which are publicly owned.

While government will continue to fund subsidised places in ways that best allow priorities for skill and knowledge development to be met, they should also meet the public interest for a broadly educated workforce through funding support for:

- the development of information systems to support student choice and rights, and
- the infrastructure for qualification development and guaranteeing quality in teaching and learning.

#### **4.10 Efficiency and effectiveness**

The shift to a demand driven approach in university funding and in some State and Territory VET systems is partly justified on the grounds of efficiency and effectiveness. A coordinated and purposeful approach to credit transfer and articulation to support student pathways is also seen by government as a contributor to efficiency. This may well act as an incentive for State and Territory TAFE institutions that currently do not have forward growth funding.

At present, effective cross-sectoral collaboration at the institutional level is more likely to be an additional cost to institutions. There are significant institutional investments in developing and maintaining credit agreements and extra costs in the changes to student profile that articulation and credit transfer agreements bring.

Funding and accountability models for the investment of government funds should incorporate success measures on pathways, credit transfer and articulation. These need to be consistent with regulatory requirements that ensure quality, student-centred operations by institutions. However, government should, in the public interest, meet some of the costs associated with improved pathways in a demand driven funding model in order to extract the wider efficiency benefits.

VET FEE-HELP is available only to institutions for programs at the Diploma and Advanced Diploma level articulated with a Degree. If this funding policy is to be used to drive articulation between the sectors then it needs to be reviewed to ensure improved articulation between all qualifications.

## 4.11 Students

If student choice is to be effective in the context of a demand driven system, then students need:

- fair and transparent processes that are student centred for recognising their prior achievements, and
- information to make choices and plan their career paths.

In the admissions process, students' prior achievements should be automatically recognised by receiving institutions. The 'onus of proof' for demonstrating what a student knows and can do should be recognised within the qualification used for admission. Where institutions do not accept an existing qualification for entry and/or credit, the institution should be required to provide evidence to the student on the reason for refusal. Providers will more readily accept the value of an existing qualification through:

- building confidence between institutions through systemic measures, particularly partnership agreements and regulation
- introducing a credit model which provides a base level of credit, accurate information on student entitlements within agreements between institutions and guidance on the application of the recognition of prior learning (RPL), and
- improved quality in the way institutions process credit applications from students.

There are many examples of information provision on credit transfer arrangements. Some governments and individual institutions produce credit transfer directories or credit assessors that provide advice on credit available at particular institutions. The best of these provide a searchable database into which a graduate enters their qualification and is provided with a range of programs they are eligible to apply for and the amount of credit they will be granted once admitted. What is needed is nationally consistent information on a searchable database so that students can compare institutions both for course quality and credit.

## 5 A MODEL FOR REFORM

There is a diversity of public and private institutions in the tertiary education sector – public and private universities, TAFE institutes, private VET and higher education institutions and adult and community education (ACE) institutions. Increasing specialisation by higher education and VET institutions and a focus on particular market segments has assisted the development of a more diverse tertiary sector with institutions pursuing different strategic intents and distinct and individualised business interests. The relationship between institutions and government plays out in a variety of ways. In this context, a ‘one size fits all’ approach to improving pathways will not work. However, government policy can require institutions to do certain things through regulation / legislation, provide inducements through funding, or provide support through funding and enabling measures. Policy objectives that deliver centralised prescription carry the risk of stultifying institutional development and diversity. Good policy can change institutional practice.

Institutions are most likely to respond positively to government policy when it is in their interests to do so. Aligning credit transfer and articulation policy with institutional interests is the best way to achieve the desired outcomes. Evidence shows that the most successful credit transfer and articulation arrangements are between institutions that have strong commitment from the institutions’ leadership. Institutions are the entities that enrol students and certify their achievements so the focus for changes to improve pathways should be the institutions themselves. Requirements, inducements and support will work best when they coincide with the business interests of the institutions. Clearly, systemic and institutional reforms need to reinforce each other.

Systemic reform should:

- enable institutions and students to have greater confidence in qualifications through the reform of the AQF
- provide funding mechanisms that enable student choice and encourage institutions to implement good practice
- assure quality through regulation backed by legislation, and
- recognise government has funding obligations within the tertiary education market for information systems for students, qualification development infrastructure, and support for institutions to change.

Institutional reform should:

- recognise that the leadership of institutions is critical to the reform process and will act in support of pathways when it coincides with the strategic intent of the institution
- focus on best practice systems and processes, and
- recognise that educators need to be involved in negotiating agreements.

This Report proposes that the Commonwealth pursue a reform strategy that recognises the key to improving student pathways is:

- promoting trust and cooperation between institutions
- supporting the leadership of institutions to drive best practice in their organisations, and
- adopting policy, regulation and funding strategies that enable effective and efficient institutional cooperation.

## 6 SPECIFIC AREAS FOR ACTION

This section highlights the key areas where reform should be directed. More detailed actions and supporting arguments are included in the accompanying Technical Report.

### 6.1 Define the tertiary education sector

Critical to creating student pathways is developing the concept of a tertiary education sector. The Bradley Review argued to adopt the OECD definition "...programs at International Standard Classification of Education (ISCED) levels 5B, 5A and 6. Programs below ISCED level 5B are not considered tertiary level" (OECD 2008). For Australia this would mean VET qualifications from Certificates I-IV would not be included in the tertiary sector.

A definition of tertiary education that includes all AQF qualifications in the VET and higher education sector must be adopted.

For the purposes of regulation (accreditation and monitoring of qualifications and institutions) and provision (not funding) the tertiary education sector must include all tertiary AQF qualifications from Certificate I to Doctoral Degree. The proposed national tertiary education regulator must include the regulation for all of these qualifications and the institutions who delivery them.

**The scope of the tertiary education sector includes AQF qualifications from Certificate I to Doctoral Degree.**

### 6.2 Reform the Australian Qualifications Framework (AQF)

The AQF provides a comprehensive, nationally consistent, yet flexible, framework for all accredited qualifications in education and training. In describing the nomenclature and key characteristics of all nationally recognised and accredited qualifications, the AQF enables qualifications developers to meet quality requirements, identifies linkages between qualification types and enables institutions to offer qualifications consistent with nationally recognised criteria.

The AQF, through the AQF Council's current project to strengthen the AQF, is being moved to a new model in which:

- qualifications are commonly described making it easier for student achievement to be recognised when students move between institutions
- qualifications include a common taxonomy of learning outcomes making it easier to identify credit for one qualification for enrolment in another
- qualifications are arranged in levels according to complexity of knowledge, skill and application providing an agreed understanding of the standard of the qualification, and
- the volume of learning in each qualification is identified making recognition of study at different levels easier.

This common approach to qualifications across all education and training sectors is the key to providing students, institutions and industry with confidence in Australian qualifications and to deliver on the intent "... to embed VET into our schools and insert VET into the centre of the

emerging tertiary education landscape – fundamentally rethinking separate systems and institutions to create better connected learning”<sup>3</sup>.

**Strengthening the AQF is a fundamental first step in assuring the quality and standing of Australian qualifications and it is a prerequisite for reforming qualifications and building pathways.**

### **6.3 Reform VET qualifications**

In stating that – “VET is the vital ingredient that can spark a whole new tertiary landscape for Australia”<sup>4</sup>, Minister Gillard positioned VET as a major contributor to equity and growth. VET qualification outcomes should achieve multiple purposes. Fundamentally they should connect students to the world of work through the development of skills – technical, cognitive, problem solving, innovation, creativity – but they must also connect to opportunities to deepen and broaden these skills through further learning. Reform is required to achieve this.

#### *6.3.1 Broader purpose*

Qualifications in the VET sector should continue to focus on skill development for exit to the workforce. In addition, they must address the broader concept of skill and knowledge development and establish pathways to higher levels of study within VET and from VET to higher education.

Qualifications in the VET sector should specifically identify:

- competencies required for exit to work
- skills and knowledge for preparation for the next level of study
- discipline knowledge that underpins problem solving and competence in the field of study
- generic capabilities, and
- the amount of credit the qualification should attract for study at the next level of the AQF, and for study at the same level in a different field.

Qualifications in the VET sector must be broadened beyond competencies required for exit to work to include discipline knowledge, generic capabilities, skills and knowledge for preparation for the next level of the AQF and specification of available credit. Funding mechanisms also need to fund the delivery of underpinning knowledge and generic skills in qualifications in the VET sector.

#### *6.3.2 Documented pathways*

Training Package development requires developers to “maximise opportunities for developing credit transfer arrangements between VET and higher education qualifications where applicable, while also meeting industry needs” for all AQF qualifications<sup>5</sup>. It is clear that the qualifier “where applicable” has meant that this requirement is not always met. Similarly, Training Package qualifications do not clearly identify those qualifications that provide the necessary entry point for higher level study.

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<sup>3</sup> Gillard, J (2009) *Speech to the Big Skills Conference, 5 March 2009, Darling Harbour, Sydney*

<sup>4</sup> *ibid*

<sup>5</sup> *Training Package Development Handbook*

Furthermore, Training Package qualification design that supports separation and discreteness in order to establish distinct industry/occupational outcomes for each qualification should be reconsidered. The high level of differentiation prohibits the inclusion of other qualifications within Training Package qualifications and therefore works against the recognition of prior learning and the use of linked qualifications to provide student pathways.

Flexibility in Training Package design allows VET qualifications to meet narrow occupational requirements; it also means differential outcomes for students with the same qualification depending on the electives they have undertaken. This has implications for credit transfer and articulation from VET to higher education as it makes the matching of qualifications more time consuming and intensive and some students are likely to gain higher credit than others with a different combination of electives within the same VET qualification. All Training Package qualifications should have a significant level of core units of competency to ensure that all graduates have a set of skills and knowledge appropriate to the qualification. This will allow improved articulation and credit transfer arrangements.

**Training Package qualifications must include: systemic articulation and credit transfer arrangements; the recognition of previous study for inclusion in a qualification; and, a significant level of core units of competency.**

#### **6.4 Reform the development and accreditation processes for Training Package qualifications for the VET sector**

The benefits of proposed changes to strengthen the AQF are not likely to be realised for qualifications in the VET sector if the processes for the development and approval of Training Packages are not reformed.

The process for development and approval of Training Packages has become complex and the process allows for an effective veto by a series of stakeholders. More concerning is that decision-making processes in the accreditation of Training Package qualifications are not undertaken by an independent entity; nor do they ensure an assessment of compliance with the AQF. All of this leads to compromises to the quality of qualifications in the VET sector.

Of equal concern is the disjunction between the funding arrangements for the development of Training Package qualifications and accountability for the qualifications. An independent evaluation of Training Packages is required to determine if the product delivered is what was ordered to ensure that the national interests are being met through Training Packages. The future national regulatory authority should provide quality control for this process regardless of where responsibility for funding the development of the qualifications sits.

**Future accreditation of Training Package qualifications must become the responsibility of the proposed national regulatory authority.**

#### **6.5 Pathway qualifications – access to VET**

If targets relating to participation in tertiary education and attainment of higher level qualifications are to be met, specific 'pathway qualifications' are required. Pathway qualifications are those designed particularly for access to entry level study and preparation for further study and movement to higher education from VET. They may include exit points to the workforce without detracting from their primary function of creating student pathways.

Certificates I and II provide access to formal education for students disengaged from formal study. They need to be reconfigured both as pathway qualifications with the primary purpose of building foundation skills for further study.

The process for development of Certificates I and II qualifications as pathway qualifications must be separated from the process of developing Training Packages. Funding to develop Certificates I and II should be through a tender process that specifies the involvement of educators and institutions with expertise in providing access programs. These qualifications should be developed by institutions in line with the educational needs of particular target groups and approved as accredited qualifications through the national VET regulatory authority (or a government accrediting authority in the interim). Opening the development to tender also recognises the involvement of the secondary school sector that delivers the vast majority of Certificate I and II qualifications in the 15-19 year old cohort<sup>6</sup>.

The existing arrangements for the development of Certificates I and II qualifications within Training Packages where industry demonstrates a requirement for a specific entry level qualification at Certificate II should remain. However, the policy restriction that currently applies to accredited qualifications – that they should not cover similar territory to Training Package qualifications – must be removed for Certificates I and II. Criteria for approving Certificates I and II should include, in addition to the criteria applying to all VET qualifications, specification of the target group for the qualification and the pathway it supports; the assessment mode should not be mandated.

In addition, pre-apprenticeships courses that usually lead to a Certificate II qualification should be expanded and developed for entry to specific apprenticeships or for broad occupational areas. Research indicates that the successful pre-apprenticeship courses attract students already committed to an occupational outcome<sup>7</sup>. Pre-apprenticeships run for equity reasons are less successful and more expensive because of the additional support students need to successfully complete. Pathway Qualifications provided for equity reasons should be developed as Certificates I or II as outlined above.

**Certificates I and II need to become access qualifications and be developed and promoted as Pathway Qualifications to provide access for a diverse range of students to further study.**

## **6.6 Pathway qualifications – from VET to higher education**

While Diplomas and Advanced Diplomas in the VET sector should maintain their purpose to provide high-level vocational skills, the reforms to AQF qualifications will improve the utility of these qualifications to assist students to transfer to study in higher education.

In the United Kingdom, the needs of these students are addressed through Foundation Degrees and in the United States of America, a variety of Community College to University partnerships provide planned, articulated qualification based pathways for these students.

The Australian context is different and there is no basis for introducing new qualification types or new provider types to cater for this student pathway. In Australia, the many examples of institutional and systemic use of the Diploma as a pathway qualification to a Degree should be used as the model.

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<sup>6</sup> NCVET (2009) *Australian vocational education and training statistics, VET in Schools, 2007*

<sup>7</sup> Dumbrell, Tom and Smith, Erica (2007) *Pre-apprenticeships in all three trades*, NCVET

The Diploma should provide the main qualification from which to build pathways to higher education from VET. The Advanced Diploma also provides a high level entry point to higher education with associated credit however this qualification has been developed specifically to deepen and/or broaden vocational skills and should continue to focus on vocational outcomes.

A publicity campaign for 'Diploma to Degree' qualifications would highlight VET to higher education pathways and link students to opportunities provided through national information systems as proposed in section 6.9.

The development of distinct Diploma to Degree pathway qualifications should be promoted to entrench directed pathways for students from VET to higher education. Diploma to Degree Pathway qualifications should be:

- purpose designed for students to move through sequential articulated steps to achieve both qualifications
- flexible at the front end to accommodate different starting points for students
- designed to include exit points to work with completed qualifications as appropriate
- subject to a single accreditation process
- delivered through partnerships between providers in VET and higher education or within a single institution but under common funding and administrative arrangements by staff working under common conditions, and
- funded from single source funding.

**The development of distinct, purpose designed Diploma to Degree pathway qualifications is required to entrench directed pathways for students from VET to higher education.**

## **6.7 A national credit pathways policy**

The AQF Council has redeveloped the *AQF national policy and guidelines on credit arrangements* and made the revised draft available in 2009 for voluntary use. However, a clearer and stronger policy statement, backed by regulation, is required to provide greater benefits to students and better assist institutions negotiate agreements on articulation and credit transfer.

The draft *AQF national policy and guidelines on credit arrangements* must be revised to:

- include a stronger policy statement on pathways and provide guidelines to underpin the reform strategy for improving pathways
- give clear advice to students on their rights and entitlements to access other qualifications and the level of credit they can expect for previous study
- allow institutions a clear framework in which to organise their activity, and
- provide an agreed basis on which governments can adjust funding, regulation and policy as required.

The revised policy will be supported by guidelines that include the three main pathways for students to follow:

- articulation between qualifications developed as part of the accreditation process to provide formal or directed credit pathways

- credit transfer agreements negotiated between institutions with agreed credit values to provide students with self-directed credit pathways
- recognition of prior learning (RPL) to provide individualised credit pathways.

In addition the policy guidelines will include advice on:

- the provision of a guaranteed base level of credit for each completed AQF qualification to be provided on entry to a qualification at the same or the next level, and
- a mechanism for national recognition of VET qualifications and recognition arrangements in higher education.

Directed credit pathways are based on pathway qualifications that are specifically designed and promoted to encourage the movement of students between the sectors. The guidelines will provide advice on developing qualifications that:

- are interconnected (including 'dual awards') where a student completes two qualifications sequentially
- are integrated where two qualifications are designed to be delivered concurrently
- have VET qualifications or units of competency embedded in higher education qualifications, and
- have higher education units/subjects embedded as electives within higher VET qualifications.

Currently, multiple policy statements related to credit transfer and articulation exist leading to both confusion and dilution of policy intent. The revised draft *AQF national policy and guidelines on credit arrangements* must be recognised as the single national policy on credit and provide the basis for related policy development. This will need to be supported by mandating compliance as a condition of registration and/or through institution funding agreements for all institutions offering AQF qualifications.

**The AQF policy on credit pathways must be recognised as the national policy on credit and pathways and be mandated for institutions as a condition of registration and, if appropriate, through funding agreements.**

## 6.8 Develop a national register of credit arrangements

The creation of a national register of credit arrangements built on current local and state-based registers would provide students with information on linked qualifications and their credit entitlements – a critical component in making an informed choice about the qualification and institution in which they seek to enrol. The register would be accessible to students, be established and administered by the AQF Council and become part of the post-2013 regulatory environment covering the tertiary sector.

It is acknowledged that local registers are constantly updated as qualifications and agreements change, so the national register would link to local registers to maintain currency and efficiency.

The national register of credit arrangements is required to provide information on:

- articulation arrangements in qualifications,
- credit transfer agreements between institutions, and

- the amount of credit provided to enrolling students in institutions for previously completed or partially completed qualifications.

**A national register of credit arrangements is required to assist students with making informed decisions.**

## **6.9 Promoting best practice in credit arrangements**

Mandating compliance with the *AQF national policy and guidelines on credit arrangements* will ensure all tertiary institutions meet a base standard for credit transfer and articulation in their admission and selection policies and practices.

However, many institutions make credit transfer and articulation a priority as part of their strategic intent and have exemplary arrangements in place. Further support and encouragement should be through national resources on best practice.

**Institutions should have access to comprehensive information on best practice models of credit transfer and articulation.**

## **6.10 Improve access to tertiary institutions**

### *6.10.1 Ranking students for higher education admission*

If, as proposed, the strengthened AQF provides clear definitions of the complexity of knowledge and skills required by each qualification then successful completion of an AQF qualification should be sufficient to demonstrate the students' capabilities to undertake qualifications of the same or next level of complexity.

The argument often made that competency-based assessment in VET does not provide enough information on individual student achievement to competitively rank VET graduates against other applicants for higher education admission is not supported by evidence.

The Queensland Tertiary Admissions Centre (QTAC) process for recognition of VET for higher education entry converts the value of a VET qualification (or part thereof) to a common scale allowing it to be considered alongside other measures of student achievement for higher education entrance. This neatly side-steps the perceived problem with competency-based assessment in VET. This process should be adopted nationwide.

To ensure that all applicants (except those applying through special entry programs for equity reasons) are considered equally and concurrently is to 'blind' universities to the source of the applicant's ranked score as currently occurs for school-leavers. This would mean the tertiary admission centres (TACs) would provide applicants to higher education with a single ranked score based on one or several of:

- an Australian Tertiary admissions Rank (ATAR) derived from subjects studied in the senior secondary certificate of education
- a VET qualification at Certificate III level or above (possibly differently weighted for graded or non-graded assessment)
- a STAT or similar aptitude test score
- a grade point average score from previous tertiary study

- a score derived from overseas study at the secondary or tertiary level, and
- bonus points for factors such as study in particular subjects or locations.

**A national policy on ranking applicants for admission to higher education is required to enhance both national consistency and clarity for students when considering options for entry to further study.**

#### *6.10.2 Graded assessment*

Competency-based assessment should continue for qualifications in the VET sector. While it was noted above that competency-based assessment can be accommodated within a ranking system, some VET institutions currently provide additional graded assessment especially for higher level VET qualifications. Where available, these assessments are used by higher education institutions to rank students for admission.

However graded assessment in VET is neither consistent nor regulated. There is no moderation between providers to ensure that the grades are comparable between providers or qualifications. For graded assessment to be meaningful it needs to be subject to audit or review to ensure the standard, fairness, reliability and validity of the assessment would benefit both students and receiving institutions.

**A national policy on graded assessment for VET Diploma and Advanced Diploma qualifications, developed cooperatively by VET and higher education, is required to further assist ranking of VET graduates for entry to higher education.**

### **6.11 Improve data to support monitoring, evaluation and policy development**

The NCVER has provided a detailed list of the additional variables required in current data collections for VET and higher education to provide coherent and accurate information on student movement. These include:

- student characteristics and study aspirations
- all previous educational attainments
- all previous partial educational attempts
- current qualification enrolment transactions
- current qualification attributes
- current qualification content, and
- credit obtained by the student for the current enrolment.

These should be adopted. There would also be a great advantage in aligning the tertiary admission centre (TAC) databases with these data variables, at least for those variables that are collected as part of the admissions process.

**To obtain accurate data on pathways that allows demand to be more accurately assessed, the monitoring of credit provided, and the analysis of student flows, the current statistical collections in VET and higher education need to be expanded.**

## 6.12 Implement a national unique student identifier

The tracking of students would be made more efficient through the introduction of a unique national student identifier that follows individual students within and between all education and training sectors and over time<sup>8</sup>. This would require a repository for data about the periods of formal, credentialed study undertaken by an individual over his or her life. Options for the repository could include a centralised or distributed model.

The benefits of a national unique student identifier (USI) include:

- a significant reduction in reporting and data entering which accords with the COAG Agenda to reduce the regulatory burden
- saving on the re-collection of most student demographic and qualification related data by each subsequent provider at which the student enrolls
- assuring the accuracy of prior education data when collected once only
- providing a record for the automatic application of credit for previous study
- verifying institutional enrolment records for funding purposes
- holding a complete record of formal, credentialed study undertaken by an individual, and
- giving individuals access to a 'skills passport' providing a complete academic transcript.

Protocols would need to be developed to allow various stakeholders access to appropriate data within legal and privacy provisions on the use of such data.

Considerable progress has been made towards the introduction of a unique student identifier in the school sector. This work should be completed and extended to incorporate post-school institutions as a second step.

**A national unique student identifier, assigned initially in the school sector, should be introduced.**

## 6.13 Improving cross sectoral research to assist policy development

Tertiary education and training research is critical if the ongoing issue of transition between institutions and sectors is to be addressed in any meaningful way. Having in place improved policies, practices and data to monitor progress will need to be supported by sustained analysis to ensure the regulators and funders of tertiary education have the most appropriate tools to make effective decisions.

While the Bradley Review did not support the establishment of a new research body, the model provided through Cooperative Research Centres (CRC) could prove useful in this area. CRCs are yet to venture into social policy but can provide a framework to link and coordinate research activity across a number of institutions, increasing efficiency and maximising the effort of key researchers. An application from those currently engaged in tertiary education research to establish a Cooperative Research Centre for Tertiary Education should be looked upon favourably.

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<sup>8</sup> The Commonwealth has introduced the Commonwealth Higher Education Student Support Number (CHESSN) to track all Commonwealth-supported higher education students over their lifetime to assess eligibility for a Commonwealth-supported place.

Since the Commonwealth has set high participation targets in VET and higher education for disadvantaged students (including those from a low SES or Indigenous background) methods to increase participation need to be developed, monitored and improved. Currently there is little research on low SES students in VET although existing VET equity advisory bodies could provide this information in the future. This could be enhanced by expanding the remit of the National Centre for Student Equity in Higher Education to undertake research on equity across the whole of tertiary education.

**The Commonwealth Government should consider the establishment of a Cooperative Research Centre for Tertiary Education and expanding the remit of the National Centre for Student Equity in Higher Education to cover the tertiary education sector.**

### **6.14 Remove funding barriers**

There are substantial differences in the funding arrangements between the VET and higher education sectors. In themselves these arrangements do not create major barriers to student movement between the sectors where institutions have created linkages and pathways to assist students.

However the differences between the sectors in eligibility for public funding, access to HECS-HELP, relative fee levels and in the future, relative funding levels, do affect the capacity of individual students to move, on an equitable basis between the sectors or between different institutions. These anomalies are likely to increase and affect more students as the tertiary education provider market changes, new forms of qualifications and student pathways evolve and student choice widens.

In the medium and longer term, the likely growing disparity in the resource base of VET in comparison to higher education in most States and Territories will affect student funding, fees and the size of each sector with possible severe consequences for student movement from VET to higher education.

There is a case for public investment in systemic initiatives to:

- reduce system and transaction costs
- fund the delivery of underpinning knowledge and generic skills in addition to workplace competencies in qualifications in the VET sector, and
- remove differences and anomalies between VET and higher education in access to income contingent loans, eligibility to access publicly subsidised places, fee levels, and the entitlement of VET students to Start-Up and other scholarships.

**There is a case for public investment in systemic initiatives to reduce system and transaction costs; fund pathway qualifications; and to remove differences and anomalies between VET and higher education funding.**

### **6.15 A single national tertiary education regulatory authority**

Resolving the key issues raised in this Report – confidence between institutions about the quality of assessment of student achievement and meaningful reform of qualifications – is

dependant on the creation of a single national regulator for the tertiary sector responsible for the accreditation of AQF qualifications and approval of institutions to issue AQF qualifications.

The proposed timing and the current process of developing separate national regulators for VET and higher education will make it difficult to implement the conclusions of this Report and may lead to new, as well as old, impediments being entrenched through the two regulatory models. There is a clear danger that an amalgamation of the two separate regulatory entities in 2013 will enshrine two separate regulatory systems.

Although they are complex, the two separate processes of developing the national regulators should be combined so that decisions on structure, roles, functions and procedures lead towards a single tertiary regulator for an 'interconnected tertiary sector'. The functions of qualification accreditation, accreditation of institutions to operate and monitoring of education provision and institutional performance must be aligned to allow an effective merger into a single national tertiary regulator by 2013. In the interim, Commonwealth, State and Territory Governments should use funding agreements with qualification developers, government accrediting authorities and tertiary education institutions to bring about compliance with the AQF and other quality assurance measures within the purview of the single national regulator.

A function of the single national tertiary education regulatory authority should include the role of an independent ombudsman or advocate to intervene on behalf of students in regard to decisions made by institutions about options for pathways and credit.

**A single national regulatory authority for tertiary education is required to bring about effective reform of student pathways and create an interconnected tertiary sector.**

## **6.16 Better regulation of the AQF**

The AQF is currently the only quality assurance mechanism in Australia with functions across all three education and training sectors and is independent from other governance entities in these sectors. The AQF recognises that the schools sector, vocational education and training sector and higher education sector each have different industry and institutional linkages. It connects these in a coherent single framework.

The current AQF arrangements accept the inevitable differences in approach that have arisen over the years and are a federation of three models for qualification development and accreditation with the attendant compromises. Each of these sectors has its own entities and processes for developing and accrediting qualifications – six separate State government accrediting authorities for the Senior Secondary Certificate of Education; the national Industry Skill Councils and the National Quality Council, along with eight separate State and Territory government accrediting authorities for the VET sector; and nine separate Commonwealth, State and Territory government accrediting authorities for higher education providers as well as the self-accrediting universities for the higher education sector. Compliance with the AQF is largely a matter of honour. Regulation of providers offering AQF qualifications includes only limited examination of qualifications against the AQF requirements.

The quality assurance arrangements of the AQF must form part of the new national regulatory body for the tertiary sector. It is no longer an option for compliance with the AQF to continue to be loosely observed.

The quality assurance of the strengthened AQF must move away from a sector-based approach. Quality assurance of all tertiary education qualifications must be located within the proposed single national tertiary education regulatory authority.

Furthermore for both international acceptance of qualifications and protection of domestic student interests the quality assurance provided by the AQF should be guaranteed through legislation. The provenance of the AQF must be established by legislation to ensure that its requirements and the reforming potential it contains are implemented in practice. The policies associated with the AQF will require the status of regulatory guidelines under the new arrangements.

**Legislated compliance with the AQF is central to ensuring quality and protection of the brand and should be the same for all AQF qualifications and institutions covered by the single tertiary education regulator.**

### **6.17 Implementation**

Major reviews of credit transfer and articulation have been conducted on a regular basis for the last two decades. The national policy settings were adopted in the early part of this decade following a major review. Some institutions have made substantial changes in response to these policies and most have made incremental change. However, little has changed in practice at the system level as a consequence of these reviews. Implementation of recommendations appears to have been devolved and petered out due to lack of leadership, pursued in a fragmented way muting their impact, or given to existing bodies that have either ignored or given them extremely low priority. To avoid this happening again, an implementation strategy driven by high level leadership with the resolve to implement the conclusions of this Report and supported by a small taskforce for a limited duration is required.

It is possible to 'cherry pick' the conclusions of this Report for implementation; however, full benefit will be gained only if all conclusions are acted upon. The reform of the AQF itself and AQF policies related to credit are critical to reform of student pathways and must not be compromised by limited implementation. The AQF Council's project to provide advice to MCTEE on strengthening the AQF must take into account the conclusions from the Pathways Project to maximise the opportunity to reform the AQF.

**A properly empowered high level steering committee that is not aligned to a particular education and training sector needs to be appointed to ensure that the recommended changes are introduced and embedded into system and institutional practice. The steering committee needs to be supported by a small highly qualified taskforce.**

## **7 RECOMMENDATION**

**It is recommended that all of the above conclusions are adopted as a package and implemented as a priority.**